

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

December 13, 2010

Robert Clark 1758 South 900 East Salt Lake City, Utah 84105

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Robert L. Clark,

Number One Clark/Emeride Mine, S0150074, Emery County, Utah

Dear Mr. Clark:

The Division has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI), and the following items will need to be addressed before the NOI can be determined complete:

1. The School and Institutional Trust Lands Administration (SITLA) requires that the NOI include cross sections that show the highwall configuration before and after mining.

2. SITLA has informed the Division that the first 100 feet of new road development has not been cleared for archeological resources. Alternatives are to conduct a cultural resources survey on the first 100 feet of road, or to realign the proposed new road and eliminate the first 100 feet. The access road could take off from the existing road at the 6400-foot elevation contour.

3. The NOI says the disturbance would be 1.9 acres. Based on this figure, the reclamation surety needs to be increased to \$11,800.00 (three-year escalation) or to \$11,900.00 (five-year escalation). Even without this amendment, the surety was due on December 4, 2010, to be escalated, and the amounts are the same. The surety amount is based on average costs per acre as shown in the following table:

Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,500 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,400/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
		\$11,800.00 for 3 years \$11,900.00 for 5 years

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Please submit the surety no later than February 15, 2011. It can be submitted either as an increase to the existing certificate of deposit or as cash, a letter of credit, or a corporate surety. Please contact the minerals program bonding coordinator, Penny Berry, at 801-538-5291 for further information about submitting the increased surety.

Please provide your response as replacement pages to your original NOI, using Form MR-REV-SMO/EXP, available on the Division's web site at www.ogm.utah.gov

If you have any questions regarding this letter, please call me at 801-538-5261 or Wayne Western at 801-538-5263. In reply, <u>please refer to file number S/015/0074</u>. Thank you for your cooperation.

Sincerely,

Paul B. Baker

Minerals Program Manager

RIBM

PBB:whw:pb
cc: jblake@utah.gov
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